



OPE Update

OFFICE OF PERFORMANCE EVALUATIONS
IDAHO LEGISLATURE

JANUARY 2008

Happy New Year!

J. R. Williams Office Building
700 W. State Street, Suite 10
P.O. Box 83720
Boise, ID 83720-0055

Phone: 208-334-3880
Fax: 208-334-3871
E-mail: opeinfo@ope.idaho.gov
Web: www.idaho.gov/ope

Inside this issue:

Awards and Recognitions	2
Evaluation Topic Selection	2
Projects Underway	3
Projects Completed	3
Performance Measurement	7
Training Opportunity for Legislators	7
Staff Activities	8
New Staff	8

From the Director

Swami from the South

Marty Fortner was my audit manager when I worked for the Louisiana Legislative Auditor in the 1990s. He was more than a manager; he was my mentor and is now a good friend. He taught me many good lessons and tricks of the auditing trade—he was like a swami, not from the East but from the South. He often said:

- “Credibility is the only thing you can hang your hat on.”
- “The proof is in the pudding.”
- “You can’t rest on your laurels.”

The following explains how these three simple statements have become the guiding principles in my daily work at OPE.

Credibility Is the Only Thing You Can Hang Your Hat on. Credibility is everything to auditors and evaluators; without it, our efforts are to no avail. In the audit and evaluation

world, credibility is a three-legged stool—independence, objectivity, and excellence are the three legs of that stool. Each leg has to be equally strong for the stool to stand firmly on the ground.

Credibility takes a long time to build, requiring hard and smart work that is free from biases. During the past five years at OPE, we have worked deliberately and diligently to establish our credibility. The total support we received from the Legislature has been critical in doing so. Considering the environment in which we operate, it would be practically impossible to build and maintain credibility if the leadership of state government (both legislative and executive) did not believe in the independence of the oversight function that OPE is entrusted with.

The Proof Is in the Pudding. It is one thing to claim that we are credible, but as Marty said, the proof

Joint Legislative Oversight Committee (JLOC), 2007–2008

Sen. Shawn Keough, Co-chair
Sen. John McGee
Sen. Edgar J. Malepeai
Sen. Elliot Werk

Rep. Margaret Henbest, Co-chair
Rep. Maxine Bell
Rep. Clifford R. Bayer
Rep. Donna Boe



is in the pudding. During my five years at OPE, we have produced a large body of work that clearly shows our commitment to independence, objectivity, and excellence. Here are a few examples:

1. We managed a comprehensive health care cost study that resulted in systematically cataloging public and private health care expenditures in Idaho and describing the profile of Idaho's uninsured. The study also discussed cost drivers and options for expanding health care services and insurance coverage for the uninsured.
2. Our reports on management in the Department of Health and Welfare and the state's substance abuse treatment efforts resulted in establishing the Interagency Committee on Substance Abuse Treatment, creating the drug czar position,

increasing the size and broadening the responsibilities of the Board of Health and Welfare, and restructuring the department.

3. Our report on the Idaho School for the Deaf and the Blind has served as a catalyst for an ongoing policy debate over the future directions of the school's service delivery model.
4. Our pupil transportation study analyzed the funding cap legislation for school district transportation cost reimbursement and recommended ways districts can improve the cost effectiveness of their bus operations.

You Can't Rest on Your Laurels. Although we are proud of our accomplishments, as Marty said, we can't rest on our laurels. We must continue to be responsive to the Legislature's information needs. The Legislature can count on OPE to produce high quality, objective evaluation reports that will help policymakers make informed decisions, improve government accountability, and provide cost-effective services for Idaho citizens.

Awards and Recognitions

OPE received two awards at the 2007 annual meeting of the National Conference of State Legislatures in Boston.

- Impact Award from the National Legislative Program Evaluation Society for the report *State Substance Abuse Treatment Efforts*
- Notable Document Award from the Legislative Research Librarians for the report *Use of Average Daily Attendance in Public Education Funding*

The US Comptroller General David Walker reappointed Rakesh Mohan to the Advisory Council on Government Auditing Standards for a four-year term (2007–10). Government auditing standards provide the framework for auditors to conduct their work with competency, integrity, objectivity, and independence.

Rakesh was recently elected to the Board of Directors of the American Evaluation Association. His three-year term started in January 2008.

Evaluation Topic Selection

OPE receives evaluation assignments from JLOC, an 8-member bipartisan committee, divided equally between the two houses and the two political parties. The committee focuses on evaluations that have statewide impact and addresses issues currently facing the Legislature.

Lawmakers are invited to help us identify issues and areas of government that may need an in-depth review. By addressing relevant and timely topics, we provide the Legislature with information necessary for making policy and budget decisions, and help agencies effectively carry out their responsibilities.

Any legislator can request a performance evaluation by writing to either JLOC or OPE.



Projects Underway

Public Safety Communications and Information Technology Management

Following requests from Senator Langhorst and Representative Durst, with a supporting letter from the Governor, JLOC directed us to study public safety communications and information technology management.

The study will focus on governance issues and review best practices in public safety communications and information technology management. As part of the study, we are surveying more than 250 sheriffs, police and fire chiefs, and county emergency coordinators to understand the end-user's perspective on interoperable radio communications.

Release date: March 2008

Project lead: Liz DuBois, Consultant

Feasibility of School District Services Consolidation

Following a request from Representative Durst, with supporting letters from the State Superintendent of Public Instruction and the State Board of Education, JLOC directed us to study the feasibility of consolidating school district services. To maintain a manageable scope, this study will not focus on instructional staff (e.g., teachers or assistants), administrators (e.g., principals or superintendents), or school boards.

The study will be conducted in two parts. The first part will help us identify the types of school district services that could potentially benefit from consolidation. The second part will involve a more in-depth cost-benefit analysis of consolidating the services identified in the first part.

Release date: Fall 2008

Project lead: Amy Lorenzo

Projects Completed

Health Care Cost Study

In 2006, JLOC directed us to manage a comprehensive health care cost study. We contracted with two consulting groups to do the study—Mathematica Policy Research of Washington, DC, and State Health Access Data Assistance Center (SHADAC) at the University of Minnesota's School of Public Health. In addition, Professor Tedd McDonald of Boise State University and Bob Thomas of Olympia, Washington, assisted OPE in designing the scope of the study, selecting the consultants, and conducting quality control review of report drafts.

The purpose of the study was to provide policymakers with useful information as they consider ways to expand health insurance coverage and health care services for the uninsured. The legislative Health Care Task Force requested the study. OPE issued five reports to the Legislature.

Health Insurance Coverage in Idaho: A Profile of the Uninsured and Those with Coverage, July 2007

The report provides the most comprehensive picture available of Idaho's uninsured. In 2005, about one in six non-elderly people in the state did not have health insurance. Three groups were identified as having particularly high rates of uninsurance: young adults ages 18 to 24 (38 percent), adults with annual incomes below \$25,000 (43 to 49 percent), and unemployed adults (51 percent).

Options for Expanding Access to Health Care for the Uninsured, July 2007

The report provides information on a broad range of state programs that have been enacted or proposed throughout the country. Options discussed include programs to make market-based coverage more affordable, programs that increase the availability of low-cost health care services, and comprehensive reforms of the health care system.



Cataloging Public Health Expenditures in Idaho, December 2007

The researchers of this report systematically collected, organized, and quantified federal, state, and local government health care expenditures in Idaho. The report provides detailed expenditure information on 13 programs or spending areas, including Medicare, Medicaid/Children's Health Insurance Program (CHIP), state and local government employee health benefits, the County Medical Indigency Program, and the State Catastrophic Health Care Cost Program. In 2004, an estimated \$2.3 billion of public funds were spent on health care in Idaho. Federal funds constituted more than 75 percent of public health care spending, with state and local spending accounting for less than 25 percent.

Estimating Private Health Expenditures in Idaho, December 2007

The estimated total private health care spending in Idaho was \$3.3 billion in 2004. The Center for Medicare and Medicaid defines private health care expenditures as (1) private health insurance expenditures, (2) consumer out-of-pocket expenditures for health services, and (3) expenditures by other private funds.

Trends in and Drivers of Health Expenditures in Idaho, December 2007

The report concludes that Idaho faces many of the same health reform issues that are confronting other states. These issues include the rising health care costs, a growing number of uninsured adults, an increase in an elderly population, and a growing number of people considered obese.

Use of Average Daily Attendance in Public Education Funding **Evaluation Report, February 2007**

Our review of 33 schools showed that districts were generally collecting and reporting most attendance information correctly, and we found no evidence to suggest that anyone was manipulating attendance to gain increased funding.

The review, however, did reveal two areas that warrant changes both at the policy and operational levels:

1. The design of the funding formula may occasionally create unexpected and inequitable results in funding for smaller districts and charters.
2. Many schools are either inaccurately reporting or having difficulty with reporting half-day and part-time attendance, as well as attendance for students enrolled in multiple schools, virtual schools, or distance learning programs.

To address these areas, we provided seven recommendations for the Board of Education, the Department of Education, and the Legislature. If implemented, these recommendations will better ensure that the state's funding formula allows distribution of funds to districts and charters as intended, and that the attendance information used for determining funding is accurate.

Virtual School Operations **Evaluation Report, March 2007**

As part of this study, we surveyed all parents of children enrolled at Idaho's four virtual schools and all teachers employed at those schools. Survey results show that both parents and teachers are very satisfied with their overall experiences at their virtual school.

We also report that the current definitions relating to virtual schools in Idaho Code do not provide a framework for these schools to operate within, resulting in wide variations in virtual school operations. Although a multi-step process exists for the approval of a new charter school, only a few processes are in place to oversee a virtual school once it has been approved. Neither the approval nor the oversight process takes into account three key areas of virtual school operations: curriculum development, delivery of instruction, and the types and frequency of communication between students and teachers.



To address these concerns, we provided recommendations to the Legislature and the Board of Education for clarifying the requirements and strengthening the oversight process for virtual schools. We also suggested a more in-depth study of virtual school funding and expenditures. We plan to begin follow-up work on our recommendations to the Legislature and the board beginning in 2008.

Higher Education Residency Requirements 2nd Follow-up Review, July 2007

The second follow-up review of our 2004 report on higher education residency requirements found that the Board of Education and the four-year higher education institutions have made little progress in addressing our recommendations. The Legislature, however, made efforts to revise the residency statute in the 2007 session, generating a public policy debate on Idaho's residency law. The purpose of our recommendations was to clarify legislative intent, ensure uniformity of residency requirements, and improve the accuracy of student residency determinations.

State Substance Abuse Treatment Efforts Follow-up Review, July 2007

Our 2005 evaluation found that state substance abuse treatment efforts were fragmented and operated without a comprehensive plan for service delivery. We recommended that all of the entities involved make concerted and coordinated efforts to improve substance abuse treatment services.

Following our evaluation report, the Legislature established the Interagency Committee on Substance Abuse Treatment and the Governor created the position of drug czar who chairs the committee. The interagency committee has brought together key stakeholders to accomplish such things as establishing a statewide substance abuse assessment tool, developing a statewide substance abuse budget report, revising the contract responsible for treatment service delivery, and discussing how best practices can improve Idaho's treatment system.

Several of our recommendations were directed to the Department of Health and Welfare, the entity responsible for managing the bulk of substance abuse treatment in the state. Our follow-up review shows the department has improved its oversight of the contractor that manages treatment services as well as oversight of individual treatment providers. The department has made plans to improve its data management system and has conducted an analysis of the state's capacity to handle substance abuse treatment needs.

Idaho School for the Deaf and the Blind Follow-up Review, July 2007

The follow-up review of the 2005 report on the Idaho School for the Deaf and the Blind found that our report served as a catalyst for a public policy debate about the school's future directions. In the 2006 legislative session, a bill was introduced to change the school's current model of delivering services.

During the 2006 session, the Legislature directed the school to reduce spending in several areas due to continued declining residential enrollment. Our review of the school's expenditures for fiscal year 2007 shows that the school has made some progress in reducing spending in residential, food, and instructional services. However, continued declining enrollment has led to higher per-student costs in other areas such as transportation, educational support, and administration. The Board of Education plans to propose changes to the model during the 2008 session.

In response to our recommendation, lawmakers amended Idaho Code to clarify student eligibility and school responsibilities. The school and the board are also working on implementing our recommendations to improve school operations.

Public Education Technology Initiatives 2nd Follow-up Review, July 2007

The second follow-up review of our 2005 report on public education technology initiatives found that the Board of Education and the Idaho Council for



Technology in Learning have not implemented many of our recommendations. These recommendations were designed to improve the ability of the board and the council to comply with statute and to fulfill their responsibilities of providing technological assessment and guidance.

Child Welfare Caseload Management Follow-up Review, December 2007

In August 2005, we issued a report that called for the Department of Health and Welfare to better monitor staff caseloads and workloads as well as take steps to improve its eligibility determination process to qualify for federal funds. Our follow-up review shows the department is making significant progress toward better monitoring caseloads and workloads.

In 2006, the department contracted with the American Humane Association to conduct a workload study for the Child Welfare program. Results of the study have provided the department with a foundation for determining what staffing levels are needed and how staff might be reallocated based on workload. Additionally, the department now conducts in-house assessments of future staff workload.

The department has also taken steps to improve overall functioning of the Child Welfare program. The department has modified how child welfare caseload data is managed, has worked with the Court Improvement Project to improve eligibility for federal foster care funding, and is currently implementing several new initiatives to improve overall functioning of the program.

Management in the Department of Health and Welfare Follow-up Review, December 2007

In 2006, our study of management in the Department of Health and Welfare found that staff generally had poor perceptions of morale, job satisfaction, communication, and management's skills, abilities, and leadership. The finding was based on our web-based survey of *all* permanent

department staff. In addition to the survey, we analyzed the department's staff turnover, staffing and workload, and facilities management.

Our recent follow-up review found that overall staff perceptions of morale, job satisfaction, and communication have improved since 2006, as have perceptions of management's skills, abilities, and leadership. This finding was based on OPE replicating the 2006 survey of all permanent department staff, with a few new questions to capture changes that may have occurred between the two surveys.

In response to our 2006 findings and recommendations, the Legislature increased the size and broadened the responsibilities of the Board of Health and Welfare. The department initiated organizational changes by creating two new divisions: Behavioral Health and Communication and Regional Development. The department has also implemented our recommendations to monitor staff turnover and to make necessary changes to its communication processes.

The department has begun implementing our recommendations on staffing and workload, as evidenced by several divisions that are updating, or plan to update, workload models for staff. However, it still needs to work on identifying the most cost effective staffing, allocation, and scheduling methodologies for its institutions.

In 2006, we described how the department had experienced difficulties in facility maintenance and long-term planning, and was not taking full advantage of federal financial participation. We suggested the department implement best practices to correct these issues. The follow-up review found that the department has not taken any action. The department should evaluate facility issues in a systematic, comprehensive way and present its findings and recommendations to the Legislature and the Permanent Building Fund Advisory Council. The Legislature and the council should consider reviewing, and possibly amending, policies and procedures for facility planning, maintenance, and funding.



School District Administration & Oversight 2nd Follow-up Review, December 2007

The second follow-up review of our 2004 report on school district administration and oversight found that the Department of Education has taken some steps to address our recommendations to improve its management of school district information. One recommendation, suggesting a study of health insurance costs for school districts, remains open for legislative consideration. A subcommittee of the legislative Health Care Task Force, created in September 2007, is examining ways to make insurance more affordable for districts.

Performance Measurement Can Help Clarify Policy Intent, Goals, and Performance Expectations

By Rakesh Mohan

Policymakers' intent for a public policy is not always clear in the authorizing legislation. Often multiple interpretations of the policy intent exist among legislators, program officials, and stakeholders. In a worst-case scenario, these interpretations are distinctly different. For effective implementation of a public policy, the desirable scenario would be to have one single interpretation of the intent.

The lack of clarity about policy intent presents challenges for evaluators in deciding what criteria to use to assess a program's effectiveness. For example, how could evaluators assess the impact of a job-training program on the local economy if the program was implemented on the assumption that its purpose was to provide a short-term apprenticeship to a targeted population?

Incorporating performance measurement concepts into the policymaking process can help clarify legislative intent of a policy before implementation. Once the intent is clarified, the next step is to discuss policy goals and performance expectations.

Both policymakers and those responsible for implementing the policy should have a common understanding of what is doable, what is not, and at what cost.

Following the release of our report *Strategic Planning and Performance Measurement*, the Legislature revised the state's process for reporting performance information by unanimously passing **House Bill 300, which became law on July 1, 2005**. The legislation requires state agencies to orally present performance information to legislative policy (germane) committees each year.

The revised process provides a formal opportunity for policymakers and program officials to engage in an ongoing dialogue with each other to clarify policy intent, goals, and performance expectations. Through this process, they can reach an agreement on program priorities, goals, and expectations, and regularly monitor program performance. Policymakers can also let program officials know whether the performance information is useful for accountability and policymaking purposes.

Reference

Mohan, R., Tikoo, M., Capela, S., and Bernstein, D. "Increasing Evaluation Use Among Policymakers Through Performance Measurement." In R. Mohan and K. Sullivan (editors), *Promoting the Use of Government Evaluations in Policymaking*, New Directions for Evaluation, no. 112, winter 2006, 89–97.

Training Opportunity for Legislators

OPE is available to provide training to Idaho lawmakers on how to use performance information—just let us know. We can schedule the training during or after the legislative session. If you have questions about House Bill 300 or would like to discuss performance measurement, please contact Rakesh Mohan at 208-334-3880 or rmohan@ope.idaho.gov.

Staff Activities

Jessica Betley passed the Ohio Bar Examination.

Staff

- Director
Rakesh Mohan
- Adm. Coordinator
Margaret Campbell
- Research/Tech. Asst.
Brekke Wilkinson
- Principal Evaluator
Jeff Shinn
- Senior Evaluator
Amy Lorenzo
- Evaluators
Jessica Betley
Jennifer Hill
Jared Tatro
- Research Assistants
Carrie Parrish
Maureen Shea

Margaret Campbell attended the Legislative Staff Management Institute in Sacramento this past summer. The institute, conducted by the National Conference of State Legislatures (NCSL) and the University of Southern California, provides leadership training to legislative staff.

Brekke Wilkinson was accepted into the Master in Business Administration program at Boise State University. She starts graduate school in

January 2008, and her area of emphasis will be information technology management.

Rakesh Mohan and Representative Maxine Bell served on a panel—*The Meeting of Minds: Budget and Evaluation*—at the NCSL annual meeting in Boston last summer. They discussed how budget and oversight committees and their staff can collaborate to improve the effectiveness of their functions. Rakesh also chaired the panel *The Impact of Performance Evaluations on Laws*.

Rakesh moderated two sessions at the National Legislative Program Evaluation Society's fall training in West Virginia:

- *Promoting the Use of Evaluation in Policymaking*
- *Government Auditing Standards*

At the American Evaluation Association's conference in Baltimore last fall, Rakesh chaired the session *Challenges and Opportunities in*

Evaluating Publicly Funded Programs. He also made two presentations:

- *Ensuring Quality of Evaluations on a Shoestring Budget*
- *Communicating Lessons Learned from Strategic Planning and Evaluation to Policymakers*

In April, Rakesh talked about *Going Beyond the Traditional Role of Auditors and Evaluators* to the Idaho Centennial Chapter of the Association of Government Accountants.

Staff Joining OPE in 2007

Jeff Shinn, Principal Evaluator, has over 30 years experience in Idaho state government. Prior to joining us in July, Jeff worked for the Board of Education and the Division of Financial Management. He has a master of public administration from the University of Southern California.

Jessica Betley, Performance Evaluator, joined us in August after receiving a juris doctor from Capital University in Columbus, Ohio. During law school, Jessica clerked at the US Attorney's Office for the District of Montana and the City Attorney's Office of Upper Arlington, Ohio.

Jennifer Hill, Performance Evaluator, came to the office in April from the Idaho Senate where she served as a journal clerk. She earned a master of arts in communication from Boise State University.

Jared Tatro, Performance Evaluator, came to the office in February after receiving a master of public administration from Boise State University. Prior to this position, Jared was a Public Records Coordinator with the Idaho Department of Environmental Quality.

Maureen Shea, Research Assistant, joined us in May as part of her studies in the Master of Health Science Program, Health Policy emphasis at Boise State University. Maureen has also interned with the Institute of Rural Health.